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March 15, 2000

VIA HAND DELIVERY

Magalie Roman Salas, Secretary
Federal Communications Commission
The Portals, 12th Street Lobby
445 12th St., SW, Counter TW-A325
Washington, DC 20554

Re: Ex Parte Presentation
IB Docket No. 99-81
ET Docket No. 95-18
RM-9328

Dear Ms. Salas:

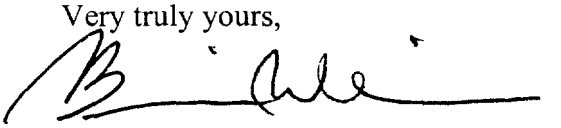
Pursuant to Section 1.1206 of the Commission's rules, I hereby notify you that David Otten, President of Celsat America, Inc. ("Celsat") and Antoinette Cook Bush and I of this firm met yesterday with Ari Fitzgerald, legal advisor to Chairman Kennard. At the meeting, Celsat expressed its support for the Commission's hybrid approach to licensing 2 GHz MSS systems as described in the Commission's February 7, 2000 Public Notice (DA 00-222). Celsat also assured the Commission that Celsat's 2 GHz MSS system will be fully 3G compatible using 3.88 MHz channels. In this regard, Celsat distributed the enclosed materials at the meeting.

Mr. Fitzgerald also inquired about Celsat's view concerning a regulatory mechanism for rewarding those companies that provide service to rural and other unserved areas with preferential access to expansion spectrum at 2 GHz. In particular, he invited Celsat to express its views with respect to the proper measure of service to rural areas, which views Celsat sets forth herein. Mr. Fitzgerald inquired as to whether formal contracts to provide capacity for retail service providers in rural areas would be a proper measure of actual commitment to rural areas by 2 GHz MSS licensees. As Celsat stated in its comments and reply comments in the service rules proceeding (IB Docket No. 99-81), Celsat believes that the best way to measure a 2GHz MSS licensee's commitment to provide service to rural areas is for each 2 GHz MSS licensee to submit to the Commission a report stating the number of "subscriber minutes" of traffic in rural and unserved areas for which it billed during the preceding year (or some other manageable time frame, such as a quarter) and the total bandwidth used for that purpose. This approach would give the Commission a simple data set which would facilitate

easy comparisons among 2 GHz MSS licensees and would be easily verifiable. The risk with the "contracted capacity" approach is that many contracts are contingent or may be executed but never actually go into effect. If, however, for technological reasons certain 2 GHz MSS licensees are unable to provide the Commission with an accurate report of their "subscriber minutes", the Commission may be forced to use the contracted capacity approach. If so, the Commission should only count the capacity which was actually in use (i.e., the service was provided to the end-user) and paid for during some manageable time frame (again, per quarter or per year should work). In addition, Celsat believes that reallocation of expansion spectrum should begin no earlier than four years after licensing of the 2 GHz MSS systems in order to provide a fair opportunity for all 2 GHz MSS licensees to commence service.

Two copies of this letter are being submitted for each docket noted above. Please direct any questions concerning this matter to the undersigned.

Very truly yours,



Brian Weimer

Enclosures

cc: Donald Abelson
Ari Fitzgerald
Adam Krinsky
Alexander Roytblat
Mark Schneider
Peter Tenhula
Bryan Tramont
Howard Griboff
Chris Murphy
Sean White

CELSAT

RESPONSE TO GLOBALSTAR'S EX PARTE FILINGS

March, 2000

David D. Otten
Chairman and CEO
Celsat America, Inc.

CONGRATULATIONS TO THE FCC ON A JOB WELL DONE

Eight of Nine Applicants Agree With the FCC's Solution to a Very Complex Problem

The Ninth Applicant, Globalstar:

- Is the Only Applicant to Reject the FCC's Spectrum Assignment Methodology
- Insists All Other Applicants Discard Their Proposed Air Interface (Which is Crucial to Their Business Plans) and Adopt Globalstar's Undefined Air Interface Instead
- Uniquely Fails to Understand How to Design a 3G compatible System Within a 3.88 MHz band

Globalstar's Erroneous and Self Serving Comments Must Not Be Allowed to Impede the Progress Made by the FCC

Eight of Nine Applicants Accept the FCC Spectrum Assignment Methodology

APPLICANT	February 17, 2000 Comments
Boeing	**Accepts FCC spectrum assignment methodology.** Requests some refinements.
Celsat	**Accepts FCC spectrum assignment methodology.** Requests some refinements.
Constellation	**Accepts FCC spectrum assignment methodology.** Requests some refinements.
ICO	**Accepts FCC spectrum assignment methodology.** Requests some refinements.
Inmarsat	**Accepts FCC spectrum assignment methodology.** Requests some refinements.
Iridium	**Accepts FCC spectrum assignment methodology.** Requests some refinements.
MCHI	**Accepts FCC spectrum assignment methodology.** Requests some refinements.
TMI	**Accepts FCC spectrum assignment methodology.** Requests some refinements.
Globalstar	**Only reject**

GLOBALSTAR'S CLAIM THAT 3.88 MHZ BAND ALLOCATIONS PRECLUDE COMPATIBLE OPERATION WITH 3G IS FALSE

3G TECHNOLOGY CAN BE ADAPTED TO SATELLITE SYSTEMS IN A 3.88 MHZ BAND

- **ERICSSON, A LEADER IN 3G TECHNOLOGY, ALSO ATTESTS TO THIS (SEE ATTACHED LETTER)**

CELSAT'S SYSTEM WHEN OPERATED IN A 3.88 MHZ BAND WILL BE FULLY COMPATIBLE WITH 3G

EIGHT OF THE NINE APPLICANTS AGREE WITH THE FCC'S BAND SEGMENTATION OF 3.88 MHZ

- **ONLY GLOBALSTAR UNIQUELY FAILS TO UNDERSTAND HOW TO DESIGN A COMPATIBLE 3G SYSTEM IN 3.88 MHZ**
- **ALL CAN BE 3G COMPATIBLE IN A 3.88 MHZ BAND WITH PROPER SYSTEM DESIGN. IT CAN BE PRESUMED THAT EIGHT OF US KNOW THAT**

GLOBALSTAR DEMANDS THAT ALL EIGHT OTHER APPLICANTS ADOPT ITS UNKNOWN (AND PERHAPS PROPRIETARY) AIR INTERFACE

- **IS THIS SIMPLY A STALLING TECHNIQUE FROM A COMPANY WITH HIGH PRICES, NON COMPETITIVE PHONES, AND A POOR ACCEPTANCE IN THE MARKETPLACE?**

ERICSSON

March 10, 2000

Mr. David D. Otten
President and CEO
Celsat America, Inc.
532 South Gertruda
Redondo Beach, CA 90277

Dear Mr. Otten:

This is to confirm that if Celsat is based on the GMSS (S-GSM) air interface standard, developed jointly by Ericsson and Lockheed Martin, Celsat will be 100% 3G compatible. The GMSS air interface is an open standard and is, by design, a very close derivative of terrestrial GSM. As such, GMSS is capable of specifying and enabling for the satellite mode all high-speed packetized data services currently under development for GSM. The evolutionary GSM technologies of GPRS and EDGE, utilizing multi-slot operation, transfer naturally to GMSS and will thus enable Celsat to offer packetized data services up to 115 kbps via S-GPRS, and up to 384 kbps via S-EDGE.

It is of importance to note that GMSS (just like terrestrial GSM) is based on 200 KHz carrier increments. Therefore, a system employing GMSS can offer services over CONUS, based on an overall spectrum allocation not exceeding 3.88 MHz, by distributing the allocated spectrum over the plurality of beams and then re-using the available spectrum many times over the span of its footprint. Other systems which plan to deploy services based on S-WCDMA techniques, face the difficulty that a system-wide allocated spectrum of 3.88 MHz (in each direction) may not even be enough to support a single WCDMA carrier!

Very Truly Yours,

Peter Karabinis
Director – Research
Satellite Phones & Terminals

PDK:pvm

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